

and its incessant fluctuations upon the earnings of the railways and the refusal of foreign capital from gold countries to embark in the extension of the rail way network or in other Mexican enterprises. While many local enterprises profited after a fashion from the rise in exchange, the railways were governed by official rates, which the government only tardily, in 1902, authorized them to change.¹

Confronted by these conditions, Minister I/mantour obtained the approval of President Diaz for the appointment of a monetary commission to investigate all phases of the subject of the metallic standard.⁸ While this commission was at work in Mexico, beginning in the spring of 1903, another step was taken by the Mexican Government, designed to secure a certain degree of international co-operation in establishing more stable exchange between other silver-using countries and gold-standard countries. Notes substantially identical in language were addressed in January, 1903, by the representatives of China and Mexico to the Government of the United States, asking the aid of the latter in presenting the subject to those governments having commercial and territorial interests in the Orient. It was pointed out that the imports of certain silver-using countries reached a total of \$574,627,323 (in United States gold coin), and that " the problem of securing relative stability of exchange between the gold and silver countries is one whose importance is not limited to silver countries, but comes home with force

¹ The companies obtained the right to increase rates by fifteen per cent, when exchange on New York was above 220—Viollet, 82. Although gross earnings of all Mexican lines had increased from \$22,220,191 in 1893 to \$40,853,981 in 1900, net earnings per mile in gold had fallen off. In the case of the Mexican Central net earnings per mile in 1893 of \$1498 (gold) had declined in 1901 to \$1029.—Casasus, *Currency Reform in Mexico*, 215-17.

⁸ President Diaz was at first reluctant to take up so far-reaching a subject, feeling that the many constructive measures which he had carried out for the benefit of his country entitled him to a certain degree of repose in his declining years; but was finally persuaded by Minister Ivimantour and Mr. Enrique C. Creel to take the initial steps.